

08/07/2006

1087502 - R8 SDMS



Matthew
Cohn/ENF/R8/USEPA/US
08/07/2006 01:56 PM

To Joyce Ackerman/EPR/R8/USEPA/US@EPA
cc
bcc
Subject Fw: LaQuinta Cost Estimate

----- Forwarded by Matthew Cohn/ENF/R8/USEPA/US on 08/07/2006 01:56 PM -----



"Main, Robin L."
<rmain@haslaw.com>
08/07/2006 01:51 PM

To Matthew Cohn/ENF/R8/USEPA/US@EPA
cc
Subject LaQuinta Cost Estimate

Here is the cost estimate. Again, we are not asserting a business confidentiality claim on this matter either.

Robin

Robin L. Main
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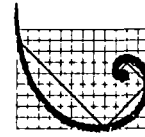
Cost Estimate Memo_07-19-06.pdf

Memorandum

Environmental
Resources
Management

To: Robin Main, Hinckley Allen Snyder LLP
From: Michael O'Hara
Date: July 19, 2006
Subject: La Quinta Property Soil Removal Cost Estimate

102 West 500 South
Suite 650
Salt Lake City, Utah 84101
(801) 595-8400
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At your request, I have prepared the following summary of cost estimates for removing soil at the La Quinta property (Site) located south of 100 South between 300 West and 400 West in Salt Lake City, Utah. These cost estimates were based on removal of soil across the entire approximately 2 acre parcel to a depth of seven feet. Since this is a "worst case" cost estimate, we also assumed that the soil would be transported to a permitted hazardous waste landfill west of Salt Lake City.

APPROACH

I contacted three local firms with experience in this type of remediation activity: Thermal West, who performed the site remediation work for the adjacent PacifiCorp site; Americon, who routinely performs remediation services; and Environmental Abatement, who performs asbestos remediation projects. ERM also performed a cost estimate based on similar earth moving experience and remediation projects in the local area.

The property encompasses approximately two acres, so that each foot of excavation would remove 3,227 cubic yards of dirt. Assuming that each cubic yard of dirt will weight 2500 pounds, we have constructed a table of itemized costs. The following notes apply to the construction and interpretation of the cost estimate table:

- Environmental Abatement declined to provide a cost estimate;
- Thermal West provided a summary cost estimate without itemizing the costs;
- Americon provided itemized costs for excavation and loading, transportation, and disposal, and I added our estimated costs for other items;

- No associated costs for local, state, or federal permitting have been included, since such permit requirements (if any) have not been identified;
- A range of disposal costs were provided by the Clean Harbors Grassy Mountain hazardous waste landfill facility, and I chose to use the upper cost in the range quoted to me by Clean Harbors' sales manager, Chuck Lawrence;
- Only ERM estimated costs for mobilization, demobilization, engineering, project management, and contingency
- No associated costs for demolition of structures was included;
- No associated costs for shoring, or working around utilities was included;
- Although excavated soil will increase in volume up to 30%, we have made no adjustment to the cost estimate since transportation and disposal costs are based on tonnage, not volume.

RESULTS AND RECOMMENDATIONS

Thermal West estimated the total cost of the remediation would be in the range of \$1,100,000 to \$1,600,00. No itemized costs were provided. Our best calculation using Americon's itemized costs is \$1,017,161. ERM's best estimate is \$1,158,120. There is obviously some consistency across the three cost estimates, not for specific item costs but for the total project cost.

Following are two tables of itemized estimated costs for the site remediation, one based on Americon's itemized cost estimate, and one based on ERM's itemized cost estimate:

Remediation Cost Estimate - Americon

TASK	QUANTITY	UNITS	UNIT COST	TASK COST
Mobilize	1	Lump Sum	\$5,000	\$5,000
Excavate & Load	22,587	Cubic yards	\$1	22,587
Haul	837	Loads	\$350	\$297,790
Disposal	28,233	Tons	\$22	\$621,133
Demobilize	1	Lump Sum	\$5,000	\$5,000
Engineering	1	Lump Sum	\$10,000	\$10,000
Project Management	1	Lump Sum	\$20,000	\$20,000
Contingency	10%	Lump Sum	\$946,510	\$94,651
TOTAL				\$1,071,161

Remediation Cost Estimate - ERM

TASK	QUANTITY	UNITS	UNIT COST	TASK COST
Mobilize	1	Lump Sum	\$5,000	\$5,000
Excavate & Load	22,587	Cubic yards	\$4.50	\$101,640
Haul	837	Loads	\$350	\$292,790
Disposal	28,233	Tons	\$22	\$621,133
Demobilize	1	Lump Sum	\$5,000	\$5,000
Engineering	1	Lump Sum	\$10,000	\$10,000
Project Management	1	Lump Sum	\$20,000	\$20,000
Contingency	10%	Lump Sum	\$1,025,563	\$102,556
TOTAL				\$1,158,120

As we reported in our Technical Memorandum dated December 19, 2005, the rather random presence of asbestos at the Site causes difficulty in estimating clean-up costs, even though we suggested a "worst case scenario" of removing the top five feet of soil from the Site. Five feet was selected based on the lab analysis which showed no vermiculite asbestos deeper than five feet below ground surface.

Given the lack of evidence for vermiculite asbestos deeper than five feet, the cost estimates provided above could be revised to show excavation to five feet rather than seven. On the other hand, the lack of evidence doesn't mean proof of absence below five feet. Therefore, your "worst case scenario" could involve over-excavating to as deep as ten feet. In the event that you wish to exercise a number of different "worst case scenarios", you can figure that the first foot of excavation would cost \$200,589 and each additional foot would cost \$159,589. These numbers are based on ERM's cost estimate and the assumptions noted previously.

If you have any questions regarding the information presented here, please contact me at 801-595-8400.

ATTACHMENT 1
Laboratory Test Report

ATTACHMENT 2
Boreing Logs